

NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

- **Certifier Name** Oregon Tilth Certified Organic, OTCO
- **Physical Address** 301 SW 4th St, Ste. 110, Corvallis, Oregon 97333, U.S.A.
- **Audit Type** Renewal Audit
- **Auditor(s) & Audit Dates** Sherry Aultman, Emily Prisco, Samuel Schaefer-Joel, Stephen Nix, Lars Crail, Desk audit: 11/29/2021 to 12/3/2021, Witness Audits: 10/24/2021 to 10/28/2021
- **Audit Identifier** NOP-50-21

CERTIFIER OVERVIEW

A renewal audit was conducted of Oregon Tilth Certified Organic (OTCO). Audit activities included a remote desk audit and three on-site witness audits.

The NOP assessed the certifier's conformance to the USDA organic regulations during the period September 27, 2019 to November 29, 2021.

OTCO was first accredited on April 29, 2002 and is accredited for Crops, Wild Crops, Livestock and Handling scopes. OTCO is a non-profit organization. OTCO has a main office located in Corvallis, Oregon and one satellite office located in Mexico. Each office has an administrative assistant and all other OTCO staff work remotely. OTCO's satellite office in Mexico functions primarily to provide certification information to operations in Latin America. All certification activities take place out of the main office in Corvallis, Oregon.

OTCO staff consists of 26 Certification Officers/reviewers, 20 Inspectors, 12 Managers/Supervisors, three Directors, seven administrative staff, and six technical specialists/quality control.

OTCO certifies operations to the following scopes: 1,084 crops, 21 wild crops, 366 livestock, 1,081 handling, and 12 grower groups (Mexico and United States). OTCO has certified operations in Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming. OTCO has certified operations in Mexico, Canada, and Iceland.

NOP DETERMINATION:

NOP reviewed the audit results to determine whether OTCO's corrective actions adequately addressed previous noncompliances. NOP also reviewed any corrective actions submitted as a result of noncompliances issued from findings identified during the audit.

Any noncompliance labeled as “**Cleared**” indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as “**Accepted**” indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next onsite audit.

Noncompliances from Prior Assessments

AIA-2332-20 - Cleared.

AIA-3331-20 - Cleared.

AIA-3332-20 - Cleared.

AIA-3333-20 - Cleared.

AIA-3334-20 - Cleared.

AIA-3335-20 - Cleared.

AIA-6427-21 - Cleared.

AIA-6553-21 - Cleared.

Noncompliances Identified during the Current Assessment and Corrective Actions

AIA-8797-21 - Accepted. 7 C.F.R. §205.642 states, “Fees charged by a certifying agent must be reasonable, and a certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator...”

Comments: *OTCO charged operations certification fees that were not filed with the NOP. The auditors reviewed fee schedules and identified that OTCO submitted an updated fee schedule to the NOP on January 25, 2021, although OTCO published it on their website on November 11, 2020. Additionally, the OTCO internal audit identified that OTCO submitted an updated fee schedule to the NOP on April 21, 2020, but the fee schedule was published on the OTCO website on November 15, 2019.*

Corrective Action: OTCO established a WIKI: Quality Management Guidance that states that any changes to the fee schedule must be emailed to OTCO’s Accreditation Manager prior to publication. OTCO issued a training notification on the new WIKI to its Finance Department on August 8, 2022. OTCO updated their project management tool for processing renewal applications to include a step requiring that the fee schedule must be sent to NOP prior to sending the fee schedule to operations. OTCO submitted their new fee schedule to NOP on September 2, 2022 and then notified its operators of the new fee schedule on September 15, 2022.

AIA-8798-21 - Accepted. 7 C.F.R. §205.403(a)(1) states, “A certifying agent must conduct an initial on-site inspection of each production unit, facility, and site that produces or handles organic products and that is included in an operation for which certification is requested. An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether to approve the request for certification or whether the certification of the operation should continue.”

Comments: *OTCO did not conduct an annual inspection of all its certified operations in 2020.*

The auditors conducted interviews with certification staff and identified that annual inspections were not conducted for up to 25% of its certified operations in 2020.

Corrective Action: OTCO fully onboarded all inspectors as full-time employees to better manage timelines and increase control and consistency of inspections. OTCO also hired additional inspectors in 2022 and 2023. OTCO's Certification Director monitors the number of mandatory annual inspections performed on an ongoing basis through OTCO's Key Organizational Indicator (KOI) process.

AIA-8799-21 – Accepted. 7 CFR § 205.403(a)(2)(ii) states, “The Administrator or State organic program’s governing State official may require that additional inspections be performed by the certifying agent for the purpose of determining compliance with the Act and the regulations in this part.”

Comments: *OTCO did not meet the requirements of NOP 2609 Instruction Unannounced Inspections. The auditors reviewed certification files and conducted interviews with certification staff and identified that:*

- 1. OTCO did not conduct unannounced inspections of 5% of its total certified operations in 2020 (2.7%).*
- 2. OTCO’s unannounced inspection protocol allows up to three days-notification to certified operations (in socio-geographic zones presenting a risk to personal safety) prior to conducting an unannounced inspection. This is not in alignment with NOP policy allowing no more than four hours notification prior to an unannounced inspection and only in extenuating circumstances.*

Corrective Action: OTCO submitted the following corrective actions:

- OTCO has established a goal of conducting unannounced inspections of 5% of its total certified operations plus 5 additional operations annually to ensure they meet the minimum requirement. OTCO submitted an updated WIKI – Annual OTCO Unannounced Inspection Plan, which requires the inspection department to monitor completion of unannounced inspections quarterly. Additionally, OTCO's Certification Director monitors unannounced inspection goals through monthly Key Organizational Indicators (KOI).
- OTCO updated its Inspector Manual to state that notification of an unannounced inspection may be provided up to four hours in advance when deemed appropriate. OTCO also removed the noncompliant language from the Inspector Manual that allowed for operations to be notified up to four days ahead of unannounced inspections. OTCO provided the updated manual to all staff through document control and notified staff by email of the changes on October 3, 2022.

AIA-8800-21 – Accepted. 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *OTCO’s Material Review Policy does not demonstrate OTCO’s ability to fully comply with the requirements for accreditation. OTCO’s policy titled, “Materials That Do Not Require Review” incorrectly states that fully contained crop pesticides that do not contact soil or crops do not require review. Materials used in crop pest control must be reviewed for compliance with §205.206.*

Corrective Action: OTCO updated their policy titled, “Materials that Do Not Require Review” to remove the row that directed Certification Officers to not review materials that fully contain attractants/bait used as crop pesticides that do not contact soil. OTCO will only allow operators to

use fully contained pesticides in the field if product information is submitted to OTCO and reviewed for compliance. OTCO also added a verification point to their Inspection Report to ensure fully contained pesticides are consistently verified at inspection. OTCO notified employees and farm operators of changes to the OTCO policy for fully contained pesticides and its use requirements. OTCO submitted the policy and notification of the policy changes.

AIA-8801-21 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *OTCO does not consistently carry out the provisions of the Act and regulations. The auditors reviewed certification files and identified that input materials are included in OTCO’s approved materials database without carrying the required use restriction as required on the National List.*

Corrective Action: OTCO determined that the proper use restriction had been communicated to the operation for the input, however, OTCO’s approved materials database incorrectly classified the input as being approved for the operation as a crop pesticide rather than as a livestock input. OTCO corrected its approved materials database and completed an internal audit of its approvals of the same material input for other operations. The internal audit identified additional instances of the input being incorrectly classified. OTCO plans to re-review those material approvals and determine whether any operations need to be notified. OTCO determined that the erroneous approvals originated from a material review service provider that OTCO contracts with and notified the material review service provider that it needed to update the materials list it provides to OTCO.

AIA-8802-21 - Accepted. 7 C.F.R. §205.662(c) states, “Proposed Suspension or revocation. When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance.”

Comments: *OTCO’s adverse action process is not always in compliance with the USDA organic regulations. The auditors reviewed adverse action files and identified two notifications of suspension that were issued up to 72 days after the deadline in the notification of proposed suspension. Additionally, OTCO accepted a request for mediation 55 days after the deadline in the notification of proposed suspension.*

Corrective Action: In March 2022, OTCO required all staff issuing adverse actions notifications to take the OILC NOP-040 training. OTCO Certification Managers increased the frequency of tracking noncompliances and adverse actions to monthly. OTCO updated its WIKI: Managing Adverse Actions (Mediations and Appeals) to include a supplemental video tutorial explaining how to track the dates for issuing adverse actions in the database. This WIKI is available to all staff who issue notifications of adverse actions.

AIA-8803-21 - Accepted. 7 C.F.R. §205.663 states, “Any dispute with respect to denial of certification or proposed suspension or revocation of certification under this part may be mediated at the request of the applicant for certification or certified operation and with acceptance by the certifying agent. Mediation shall be requested in writing to the applicable certifying agent... Any agreement reached during or as a result of the mediation process shall be in compliance with the

Act and the regulations in this part. The Secretary may review any mediated agreement for conformity to the Act and the regulations in this part and may reject any agreement or provision not in conformance with the Act or the regulations in this part.”

Comments: *OTCO’s settlement agreements do not consistently comply with the requirements of the USDA organic regulations. The auditors reviewed settlement agreements established by OTCO and found that settlement agreements do not always include a defined period of time for the certified operations to complete the terms.*

Corrective Action: OTCO updated its settlement agreement template to include a date the settlement agreement will be considered resolved if all terms are met. OTCO required any Certification Officer or Supervisor hired after April 2021 to complete the OILC NOP-040 training before December 31, 2022. Going forward, OTCO will require all new Certification Officers or Supervisor staff to complete the OILC NOP-040 training. Additionally, the training is registered as a 2022 required course in the OTCO WIKI: OTCO Certification Staff Training, which all relevant staff must complete.

AIA-8804-21 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *OTCO did not consistently carry out the provisions of the Act and regulations. The auditors reviewed certification files and identified that OTCO did not verify compliance of a producer’s Organic System Plan (OSP) in the following instances:*

1. *OTCO accepted a ruminant producer’s OSP which combined different classes of animals for the dry matter demand and dry matter intake calculations, which is not in alignment with §205.237(c)(1).*
2. *OTCO’s inspector identified inaccuracies with the producer’s method for calculating dry matter demand and dry matter intake per §205.237(d)(4), and OTCO did not require the producer to update the OSP.*
3. *OTCO accepted a livestock producer’s OSP that did not accurately describe the operation’s multiple grazing seasons per §205.240(c)(3).*
4. *OTCO accepted a livestock producer’s OSP that specified a prohibited reason for temporary confinement per §205.239(b),(c).*

Corrective Action: OTCO reviewed the files associated with the noncompliances and provided confirmation that each issue had been addressed or would be addressed during the 2022 certification cycle. OTCO submitted training documents and participant lists for the OTCO Annual Herd List and DMI Training delivered to certification officers in February 2022 and delivered to inspectors in March 2022. OTCO also launched an OTCO DMI Calculation micro-training for operations and submitted the training materials. OTCO required certification officers and inspectors qualified for NOP livestock to take the OILC NOP-290 training by December 30, 2022 and OTCO provided all staff with the Annual Herd List & Planned DMI Calculation Requirement FAQ Guide on August 31, 2022.